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SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

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FORM 10-Q

Quarterly Report Under Section 13 or 15 (d)
of the Securities Exchange Act of 1934

For Three Months Ended
March 31, 1992

Commission File Number
No. 0-9247

AUTO-TROL TECHNOLOGY CORPORATION
(Exact name of registrant as specified in its charter)

COLORADO	84-0515221
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
12500 North Washington Street, Denver, Colorado	80241-2400
(Address of principal executive offices)	(Zip Code)

(303) 452-4919
(Registrant's telephone number, including area code)

N/A
(Former name, former address, and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

Number of shares of common stock outstanding as of May 1992: 6,837,418

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AUTO-TROL TECHNOLOGY CORPORATION

REPORT TO THE SECURITIES AND EXCHANGE COMMISSION ON FORM 10-Q

FOR THE SIX MONTHS ENDED MARCH 31, 1992

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PART I - FINANCIAL INFORMATION

ITEM I - FINANCIAL STATEMENTS
AUTO-TROL TECHNOLOGY CORPORATION
CONSOLIDATED STATEMENTS OF EARNINGS
(in thousands, except per share amounts)
(Unaudited)

	Three months ended March 31		Six months ended March 31	
	1992	1991	1992	1991
Revenues:				
Sales	$ 8,292	$ 9,771	$16,409	$18,138
Service	7,113	7,555	14,147	14,681
Total Revenues	15,405	17,326	30,556	32,819
Cost of Revenues:				
Sales	4,134	4,530	7,886	8,388
Service	3,209	3,061	6,077	6,300
Total Cost of Revenues	7,343	7,591	13,963	14,688
Gross Profit	8,062	9,735	16,593	18,131
Research and product development	2,610	2,374	5,142	4,705
Marketing, general and administrative	7,944	8,682	15,669	17,290
	10,554	11,056	20,811	21,995
Loss from operations	(2,492)	(1,321)	(4,218)	(3,864)
Interest income	46	106	106	208
Interest expense	129	38	230	179
Loss before income taxes	(2,575)	(1,253)	(4,342)	(3,835)
Income taxes	7	0	76	0
Net loss	$(2,582)	$(1,253)	$(4,418)	$(3,835)
Loss per share	$ (.39)	$ (.18)	$ (.66)	$ (.56)
Weighted average number of shares outstanding	6,696	6,833	6,695	6,828

See Notes to Consolidated Financial Statements

AUTO-TROL TECHNOLOGY CORPORATION
CONSOLIDATED BALANCE SHEETS
ASSETS
(in thousands)

	March 31, 1992 (Unaudited)	September 30, 1991 (Audited)
Current assets:		
Cash and cash equivalents	$ 2,308	$ 3,293
Accounts receivable, net of allowance of $259 and $392	13,237	11,287
Inventories	1,139	1,483
Service parts and prepaid expenses	1,516	1,020
Total current assets	18,200	17,083
Property, facilities and equipment:		
Land	355	355
Building and improvements	8,015	8,015
Machinery and equipment	19,044	18,652
Furniture, fixtures and leasehold improvements	1,249	1,398
	28,663	28,420
Less accumulated depreciation and amortization	(17,378)	(15,976)
	11,285	12,444
Non-current service parts	254	282
Purchased software, net of accumulated amortization of $632, and $553	542	338
Other long-term assets	218	213
	$30,499	$30,360

See Notes to Consolidated Financial Statements

AUTO-TROL TECHNOLOGY CORPORATION
CONSOLIDATED BALANCE SHEETS
LIABILITIES AND COMMON STOCK AND OTHER SHAREHOLDERS' EQUITY
(in thousands)

	March 31, 1992 (Unaudited)	September 30, 1991 (Audited)
Current liabilities:		
Note payable-related party	$ 3,150	$ 500
Current portion of long-term debt	1,042	1,042
Accounts payable	5,643	3,983
Interest payable	131	60
Income tax payable	388	263
Unearned service revenue and customer deposits	1,477	1,549
Other liabilities	2,156	1,855
Accrued compensation and related taxes	958	976
Total current liabilities	14,945	10,228
Long-term debt	2,880	2,880
Deferred tax	500	500
Total liabilities	18,325	13,608
Shareholders' Equity:		
Common Stock, $.01 par value authorized 10,000,000 shares; issued and outstanding 6,853,222 shares and 6,850,322 shares	69	68
Additional paid-in capital	46,811	46,806
Cumulative currency translation adjustments	179	345
Accumulated deficit	(34,569)	(30,151)
Treasury Stock, 155,200 common shares at cost	(316)	(316)
Total shareholders' equity	12,174	16,752
	$30,499	$30,360

See Notes to Consolidated Financial Statement

AUTO-TROL TECHNOLOGY CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOW

	Six months ended March 31, 1992	1991
	(in thousands)	
Cash flow from operating activities:		
Net loss	$(4,418)	$(3,835)
Adjustments to reconcile net loss to net cash (used) provided by operating activities:		
Depreciation and amortization	2,435	2,895
Loss (gain) on disposal property, facilities and equipment	118	(24)
Provision for inventory obsolescence and shrinkage	39	117
(Increase) decrease receivables	(2,002)	2,242
(Increase) decrease inventories	298	(1,376)
Increase prepaids and current service parts	(503)	(273)
Increase accounts payable	1,639	446
Increase (decrease) interest payable	71	(156)
Increase (decrease)income tax payable	125	(5)
Increase (decrease) unearned service revenue and customer deposits	(72)	958
Increase (decrease) other liabilities	288	(249)
Decrease accrued compensation and related taxes	(18)	(77)
Net cash (used) provided by operating activities	(1,999)	663
Cash flow from investing activities:		
Capital expenditures	(1,526)	(1,756)
Proceeds from sale of property, facilities and equipment	195	292
Increase of non-current service parts and other long-term assets	(276)	(217)
Net cash used by investing activities	(1,608)	(1,681)
Cash flow from financing activities:		
Proceeds from issuance of note on payable-related party	2,650	
Payments on long-term debt	0	(1,930)
Proceeds from issue of common stock	6	20
Payments to acquire common stock	0	(304)
Net cash provided (used) by financing activities	2,656	(2,214)
Effect of exchange rate changes on cash	(34)	41
Net decrease in cash and cash equivalents	(985)	(3,191)
Cash and cash equivalents at the beginning of the period	3,293	4,758
Cash and cash equivalents at the end of the period	$ 2,308	$ 1,567
Supplemental disclosures of cash flow information:		
Cash paid during the year for:		
Interest	$ 125	$ 335
Income taxes	0	0

See Notes to Consolidated Financial Statement

AUTO-TROL TECHNOLOGY CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
SIX MONTHS ENDED MARCH 31, 1992 AND 1991

A. Accounting Policies

The financial statements should be read in conjunction with the Annual Report to shareholders for the period ended September 30, 1991. The accounting policies utilized in the preparation of the financial statements herein presented are the same as set forth in the Company's annual financial statements except as modified for appropriate interim accounting policies.

B. Income Taxes

1) Provision for Income Taxes
The components of the current provisions for income taxes are as follows:

	Six Months Ended March 31, 1992	1991
US federal taxes (including alternative minimum tax)	$ 0	$ 0
Foreign	76,000	0
State (before federal tax benefit)	0	0
Current tax provision	$ 76,000	0

No provision was required for deferred taxes because the Company has no additional net deferred tax liability.

The following table indicates the amount of the Company's pre-tax accounting income (loss) from continuing operations that was contributed by United States and foreign operations:

8. **Income Taxes (continued)**

	Six Months Ended March 31, 1992	1991
United States	$(4,622,000)	$(2,963,000)
Foreign (includes losses of $31,000 and $199,000 respectively for 1992 and 1991 from the Australian branch of the US parent company which effects US federal taxable income)	204,000	(872,000)
	$(4,418,000)	$(3,835,000)

The following table provides a reconciliation of hypothetical income taxes computed at applicable US federal statutory rates to the reported provision for income taxes on continuing operations:

	Six Months Ended March 31, 1992	1991
Expected federal income tax rate	(34.0)%	(34.0)%
Adjustment of expected benefit due to lack of earnings to offset current losses	34.0	34.0
Foreign income taxes	1.7	0
	1.7%	0%

Income taxes have been computed based on the estimated annual effective tax rate for the year ended September 30, 1992. Income taxes for the period ended March 31, 1992 arose in relation to profitable Canadian operations.

C. Common Stock and Other Shareholders' Equity

	Common Stock Shares	Common Stock Amount	Additional paid-in capital	Cumulative currency translation adjustments	Deficit	Treasury Stock	Total
			(in thousands except number of shares)				
Balance, September 30, 1991	6,850,322	$ 68	$46,806	$ 345	$(30,151)	$ (316)	$16,752
Stock issued under stock compensation and benefits plans	2,900	1	5				6
Change in cumulative currency translation adjustments				(166)			(166)
Net loss					(4,418)		(4,418)
Balance, March 31, 1992	6,853,222	$ 69	$46,811	$ 179	$(34,569)	$ (316)	$12,174

D. Loss per Share

Loss per share is computed on the basis of the weighted average number of shares outstanding and is adjusted, if applicable for common stock equivalents. At March 31, 1992 and 1991, the weighted average number of shares outstanding includes no weighted common stock equivalent shares because their effect would be antidilutive.

The financial information herein furnished reflects all adjustments which are, in the opinion of management, necessary to a fair statement of the results of the interim periods.

ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS:

Three months ended March 31, 1992 compared to three months ended March 31, 1991.

Total revenue for the second quarter ended March 31, 1992 decreased 11.1% from the corresponding quarter of 1991. Domestic revenue decreased 21.6%, *Canadian revenue decreased 25.5% while European revenue increased* 30%. Service revenue for the quarter ended March 31, 1992 decreased 3.6% from the corresponding quarter of 1991. Other revenue of $769,000 has been reclassified from sales revenue to service revenue for the quarter ending March 31, 1991 because such categorization better reflects the source of the revenue. Other revenue of $1,287,000 is included in service revenue for the quarter ending March 31, 1992.

Cost of sales and cost of service decreased in the second quarter ended March 31, 1992 compared to the corresponding quarter of 1991. Total gross profit margins for the quarter ended March 31, 1992 were 52.3% compared to 56.2% for the quarter ended March 31, 1991.

Research and product development expenses increased 9.9% from the corresponding quarter of 1991 primarily due to improved identification and reporting of such expenses relating to the European and Canadian subsidiaries. Research and product development expenses also increased as a percentage of revenue to 16.9% for the quarter ended March 31, 1992 compared to 13.7% for the corresponding quarter of 1991 due to decreased sales and increased expenses.

Marketing, general and administrative expenses decreased 8.5% for the quarter ended March 31, 1992 compared to the corresponding quarter of 1991. Seventy six percent of this decrease is attributable cost cutting measuresin all operating areas of the company and twenty four percent in attributable to improved identification and reporting of research and product development relating to the European and Canadian subsidiaries.

Six months ended March 31, 1992 compared to six months ended March 31, 1991.

Total revenue for six months ending March 31, 1992 decreased 6.9% from the corresponding six months of 1991. Domestic revenue decreased 19.3%, Canadian revenue decreased 13.5% and European revenue increased 35% from the corresponding quarter of 1991. Sales revenue decreased 9.5% and service revenue decreased 3.6% from the corresponding six months of 1991. International operations experienced a 22.8% increase in service revenue compared to the first six months of 1991. Domestic operations experienced a decrease of 14.7% in service revenue compared to the corresponding quarter of 1991. Other revenue of $1,756,000 has been reclassified from sales revenue to service revenue for the six month period of 1991 because such categorization better relects the source of the revenue. Orher revenue of $2,483,000 is included in service revenue for the six months ending March 31, 1992.

Cost of sales and cost of service decreased in the six months ending March 31, 1992 compared to the first six months of 1991. Gross profit margins on service revenues remained consistent. Gross profit margins on sales declined to 51.9% from 53.8% for the corresponding nine months of 1991.

Research and product development expenses increased 9.3% from the corresponding six months of 1991, and also increased as a percentage of revenues to 16.8% for the six months ended March 31, 1992 compared to 14.3% for the corresponding six months of 1991 due to decreased sales as well as improved identification and reporting of such expenses relating to the European and Canadian subsidiaries.

Marketing, general and administrative expenses decreased 9.4% in the six months ending March 31, 1992 from the corresponding six months of 1991. Domestic expenses decreased 8.5%, international and Canadian expenses decreased 10.8%. Marketing general and administrative expenses increased to 51.4% as a percentage of revenues for the six months of 1992 compared to 50.1% for the first six months of 1991 resulting from decreased sales.

The Company's expected income tax status is discussed in Note C to Consolidated Financial Statements.

FINANCIAL CONDITION

The Company's overall financial condition as of March 31, 1992 as measured by its net working capital, declined during the first six months due primarily to the $4.4 million loss in the first six months of 1992. Cash funds decreased to $2.3 million at March 31, 1992 from $3.3 million at September 30, 1991.

The Company believes funds on hand and funds to be provided by future operations will be adequate to serve its immediate liquidity needs under its business plan. However, should the Company incur significant future operating losses, it may be necessary to seek additional funding. Although the Company does not currently have specific arrangements in place, the Company believes it would be able to obtain sufficient additional funding through borrowings, reselling treasury stock or an additional stock issuance.

PART II - OTHER INFORMATION

ITEM 6 - EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits. None.

(b) Reports on Form 8-K. None.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AUTO-TROL TECHNOLOGY CORPORATION
(Registrant)

Howard B. Hillman
Howard B. Hillman
Chairman of the Board
and President

Date: May 14, 1992

Carl E.D. Heinzman
Carl E.D. Heinzman
Secretary/Treasurer

Date: May 14, 1992